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Via Electronic Submission

Vanessa A Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

Re: Short Positions and Short Activity Reporting by Institutional Investment Managers, File No. S7-08-22

Dear Ms. Countryman:

CUSIP Global Services¹(CGS), appreciates the opportunity to comment on the Securities and Exchange Commission's (Commission or SEC) proposed rule to implement statutory provisions related to the Dodd-Frank Wall Street Reform and Consumer Protection Act. The provisions require the SEC to craft guidelines regarding equity-related short sales and the information that institutional investment managers must report if certain thresholds are met or exceeded. We write specifically to address references to the CUSIP identifier as the common key for reporting across investment managers.

Background

CGS comments as operator of the CUSIP system on behalf of the American Bankers Association (ABA) and under contract by FactSet Research Systems Inc. with the ABA. In 1964, as a response to the securities settlement "paper crunch," the NY Clearing House Association approached the ABA to develop a more efficient system for the trading, clearing, and settlement of securities. Thus was the Committee on Uniform Security Identification Procedures – CUSIP – born, with the first directory being published in 1968². In the ensuing decades, in parallel with

¹ The financial services industry relies on CGS' unrivaled experience in uniquely identifying instruments and entities to support efficient global capital markets. Its extensive focus on standardization over the past 50 years has helped CGS earn its reputation as a trusted originator of quality identifiers and descriptive data, ensuring that essential front- and back-office functions run smoothly. CGS is managed on behalf of the American Bankers Association (ABA) by FactSet Research Systems Inc, with a Board of Trustees that represents the voices of leading financial institutions. For more information, visit www.cusip.com

² "...The CUSIP system represents the foundation of the program to improve the speed and accuracy in the processing of securities and transactions involving them. We urge you to build upon that foundation as quickly as possible and again CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc.

widespread adoption and implementation by market participants, an increasing number of clearing corporations, regulators, and market authorities came to recognize the value and reliability of the CUSIP system. Under the direction and guidance of a cross-industry senior group of experts, the CUSIP Board of Trustees, this led to an ever-expanding universe of asset classes and geographies supported by CGS identifiers: municipal bonds, commercial paper, US treasury bonds, mortgage-backed securities, and bankers acceptances to name just a few. Over 50 years later, that spirit of innovation, sustained investment, and commitment to powering efficient capital markets lives on.

Proposed Contents for Form SHO

Form SHO must be filed monthly by institutional investment managers to either report or amend short positions if certain thresholds are met. The proposal also notes that "...the public's need for aggregated data the Commission would publish" is a driving consideration for any proposed changes to Form SHO.

For decades, the use of CUSIP identifiers within Form SHO has helped foster market transparency for investors by ensuring uniformity across investment managers reporting their short positions. For example, the CUSIP for Microsoft Common Stock is **594918 10 4**: all investment managers reporting a short position in Microsoft use that CUSIP when reporting. This consistent key for reporting has proved both simple and reliable for investment managers, regulators, and investors alike.

Column 6 introduces a second identifier, the Financial Instrument Global Identifier (FIGI). The FIGI is a product of Bloomberg LP, a prominent financial, data and media company with a large presence across nearly every aspect of the capital markets.

We submit that the use of additional identifiers such as FIGI could prove extremely disruptive to Form SHO reporting - and market participants by extension - for two primary reasons:

1. Consistency across reporting investment managers

As noted, the soundness and transparency offered by the current Form SHO requirements depends on all investment managers reporting their short position in a uniform fashion and using CUSIP as the key. Returning to the example of Microsoft Common Stock with CUSIP **594918 10 4**, one of the relevant FIGIs is **BBG000BPH459**. While the separate columns for each identifier (5 and 6, respectively) ostensibly avoid any potential for overlap, the introduction and use of an additional identifier would undermine the Commission's stated goal of aggregating the short position data for both regulatory and public consumption. The use of two keys for aggregating data would, in our view, result in a confusing and inconsistent picture of short positions in the market.

2. Fungibility

One of the hallmarks of the CUSIP system is the critical, industry-driven notion of fungibility: simply put, Microsoft Common Stock is the same instrument for the purpose of unique

congratulate all of the organizations and individuals who participated in the development of the CUSIP system for their noteworthy achievement." – SEC Chairman Hamer Budge, June 20th 1969
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identification *regardless of the venue of execution*. As such, all institutional investment managers know that short positions in Microsoft are to be reported with the CUSIP **594918 10 4**.

With other identification schemas, including FIGI, a different method is employed: as indicated in the paragraph above on consistency across reporting managers, there are multiple identifiers for the same common stock *depending on the US Exchange where the shares are purchased*. The various FIGIs for Microsoft Common Stock, for example, include:

BBG000BPH9J3
BBG000BPH459
BBG000BPH6D5
BBG000BPH654
BBG000BPH958
BBG000BPHG07
BBG000BPHD40
BBG000BPH583
BBG000BPH8J5
BBG000BPH4R5

Therefore, if one investment manager shorted Microsoft shares on the NASDAQ main market and another shorted Microsoft shares on the NASDAQ PHLX (Philadelphia) market, they could report those short positions using two different FIGI identifiers in their respective Forms SHO *even while using the same identification schema*.

In a similar vein, if the management investment company had to report a short position in an ETF, such as the widely held SPDR S&P 500 ETF TRUST, the list of possible FIGIs include:

BBG000BDTNV2
BBG000BDTMT7
BBG000BDTG10
BBG000BDTF76
BBG000BDTGV7
BBG000BDTHF3
BBG000DJD5D26
BBG000BDTNF0
BBG000BDTDK6
BBG000BDTN60
BBG000BDTGK9
BBG000BDTL00
BBG000BDTC00
BBG000BDTC82
BBG000BDTBL9

The single, fungible CUSIP for the SPDR ETF: **78462F 10 3**

The multiplicity of identifiers for any given fungible financial instrument is a deliberate feature of the FIGI system. Its introduction would likely lead to inconsistency, confusion, and aggregation challenges across the reporting regime for equity-based short positions.

3. Length of Identifiers

The proposal notes, correctly, that the CUSIP and FIGI have different character lengths: 9 and 12, respectively. This is a critical distinction, as many domestic systems used by banks, investment managers, and other market participants are built to handle the 9-character CUSIP. The Commission should consider the potential, unforeseen impacts on downstream processing if a longer code were introduced. (For the Commission's edification: at its creation, the FIGI was originally intended as an alternative to the ISIN, a 12-character ISO standard widely embraced for cross-border trading.)

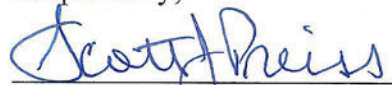
Q8 Short Position Information

Question 8 asks, in part, "...If a FIGI has been assigned, should a Manager be required to report CUSIP as well?" This language does not make sense given that the previous instructions regarding Information Table 1 clearly state that Column 5 is dedicated to the 9-character CUSIP, which, as previously noted, is the existing key for reporting short positions. In addition, the question implies that the CUSIP would be optional for reporting, when the statutes being implemented specifically call for CUSIP and make no mention of FIGI.

Summary

The current Information Table of Form SHO has served the Commission, investment managers, and the investor community well, providing unquestionable consistency and transparency. The universal acceptance of the CUSIP system due to its time-tested efficacy is well established. This is not the case for the FIGI, which is being promoted by Bloomberg LP and is referenced in this rule proposal despite the fact that it is not mentioned anywhere in the relevant statutory text. CGS respectfully submits that introduction of a second identifier, even if optional, could introduce unnecessary ambiguity and confusion for the reasons set forth above, and all while undermining the stated goal of providing aggregated short position data to the public.

Respectfully,



On behalf of CUSIP Global Services